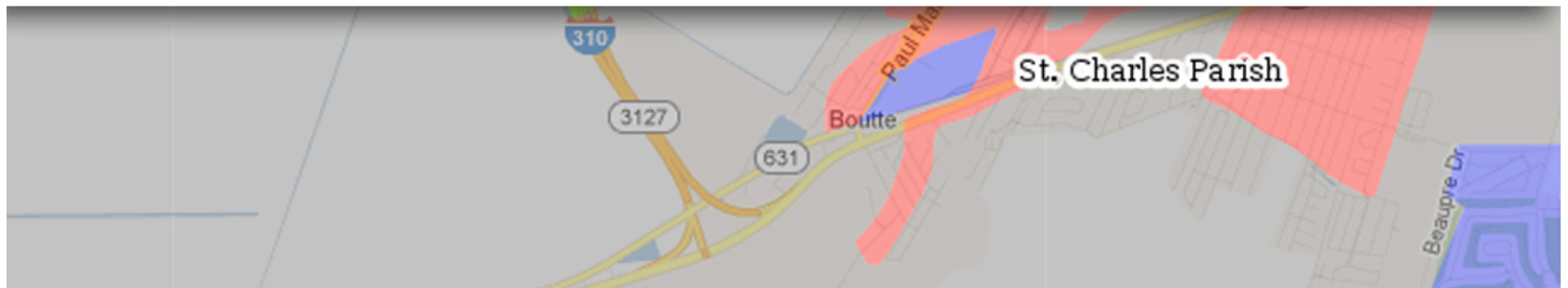




Proposed FEMA Flood Insurance Rate Maps

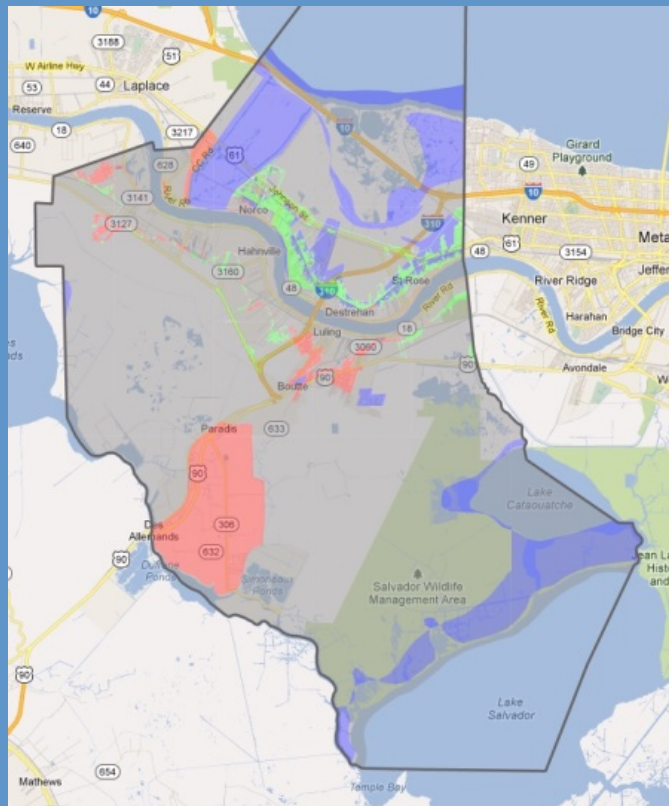


NFIP

National Flood Insurance Program
St. Charles Parish
Earl Matherne
April 15, 2013

TWO ISSUES

- Preliminary DFIRM
- Biggert-Waters Act



H. R. 4348—512

TITLE II—FLOOD INSURANCE

Subtitle A—Flood Insurance Reform and Modernization

SEC. 100201. SHORT TITLE.

This subtitle may be cited as the “Biggert-Waters Flood Insurance Reform Act of 2012”.

SEC. 100202. DEFINITIONS.

(a) **IN GENERAL.**—In this subtitle, the following definitions shall apply:

(1) **100-YEAR FLOODPLAIN.**—The term “100-year floodplain” means that area which is subject to inundation from a flood having a 1-percent chance of being equaled or exceeded in any given year.

(2) **500-YEAR FLOODPLAIN.**—The term “500-year floodplain” means that area which is subject to inundation from a flood having a 0.2-percent chance of being equaled or exceeded in any given year.

(3) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Federal Emergency Management Agency.

(4) **NATIONAL FLOOD INSURANCE PROGRAM.**—The term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.).

(5) **WRITE YOUR OWN.**—The term “Write Your Own” means the cooperative undertaking between the insurance industry and the Federal Insurance Administration which allows participating property and casualty insurance companies to write and service standard flood insurance policies.

(b) **COMMON TERMINOLOGY.**—Except as otherwise provided in this subtitle, any terms used in this subtitle shall have the meaning given to such terms under section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121).

SEC. 100203. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) **FINANCING.**—Section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is amended by striking “July 31, 2012” and inserting “September 30, 2017”.

(b) **PROGRAM EXPIRATION.**—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “July 31, 2012” and inserting “September 30, 2017”.

SEC. 100204. AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.

Section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012) is amended—

(1) in subsection (b)(2)(A), by inserting “not described in subsection (a) or (d)” after “properties”; and

(2) by adding at the end the following:

“(d) **AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.**

“(1) **IN GENERAL.**—The Administrator shall make flood insurance available to cover residential properties of 5 or more residences. Notwithstanding any other provision of law, the

Preliminary DFIRM

- First map: May 2, 1983
- Revised: June 16, 1992
- East Bank LOMR May 2003
- First Draft DFIRM 2008
- Current Draft DFIRM 2008/2012
 - Officially presented December 2012
 - Open house March 25, 2012

Preliminary DFIRM Effects

What we know:

The new maps reflect the East Bank Hurricane Protection Levee and the Western Tie-In. This lowers the risk inside those levee systems, which is reflected in the following areas: Ama, St. Rose, Destrehan, New Sarpy and Norco.

The new maps also reflect the current policy for mapping un-accredited levees. This raises the risk in areas formerly mapped as being protected by these levees. This is reflected in the Mimosa, Des Allemands, Paradis and Bayou Gauche areas.

The new maps reflect higher Base Flood Elevations in area that were never considered protected by levee systems: Parts of Montz, Luling and Boutte are effected.

The reflection of risk equates to a reflection of the cost of flood insurance and residents should expect their costs to change accordingly.

DFIRM Parish Actions

Continue to inform public.

- Riskmap6.com.

Don't rely on colors!!!

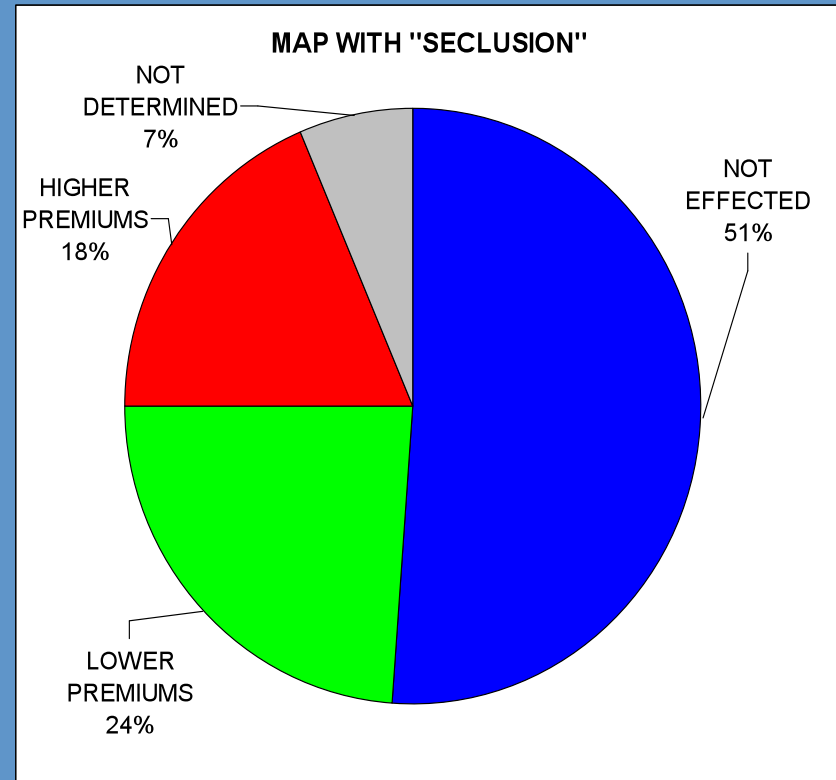
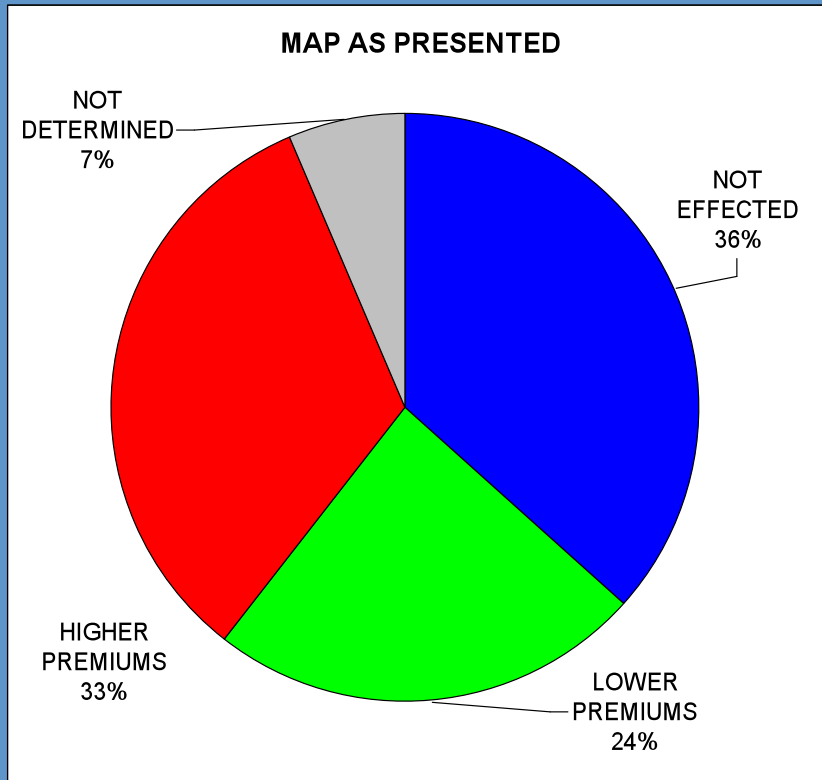
Technical review of preliminary DFIRM.

- Correct mistakes.
- Challenge BFE.
- Retained Dr. Joseph Suhayda (April 8, 2013).

Adoption options:

- Reject entire map.
- Consider “seclusion” option for areas with non-accredited levees.
- Adopt map as presented.
- Other options.

POSSIBILITY OF SECLUSION



"SECLUSION" RESULTS: 15 PERCENT AVOID HIGHER PREMIUMS TEMPORARILY

Biggert-Waters Act

- On July 6, 2012 the president signed into law the Surface Transportation Bill (H.R. 4348), which re-authorizes the National Flood Insurance Program (NFIP) through 2017.
- Extends NFIP for 5 years.
- Includes living expenses and business interruption.
- Boards, studies and grants.
- Reimbursements for successful challenges.
- Actuarial rates.
- Eliminates of “grandfathered” and “subsidized” rates.
- Repayment of \$27.45 billion in 10 years.

Biggert-Waters Act Effects

- Because BW shifts premiums to actuarial rates, costs will rise.
 - Historic rates not based on cost but rather on affordability.
- Because BW ends subsidies and grandfathering, costs will rise for many.
 - Generally subsidies refer to pre-firm structures (before May 2, 1983).
 - Generally grandfathering refers to the effect, or map changes.
- BW will effect St. Charles Parish whether we adopt the new maps or not.
 - Pre-firm non-primary already effected.
 - Pre-firm businesses, severe repetitive loss (October 2013).
 - Other high loss structures (October 2013).
 - Grandfathering phase out (beginning end of 2014).
- New rates have NOT been released.
 - Preferred Risk Policy extension.
- Irony created by combination of BW and non-accredited levees
 - Federal government builds accredited levees in high flooding areas.
 - Areas without accredited levees most effected by BW.

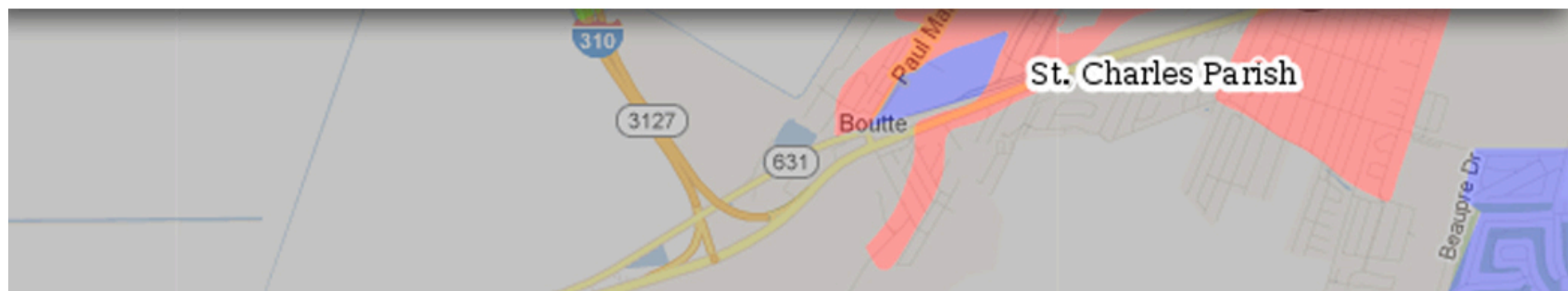
Biggert-Waters: Parish Actions

The ONLY way to change
BW12 is through
Congressional action.

St. Charles Parish is in contact with our delegation. We suggest you do the same. We are trying to communicate with other jurisdictions in Louisiana and nationwide to get support. Many parishes and counties do not realize the effects of this act.



Proposed FEMA Flood Insurance Rate Maps





FEMA

St. Charles Parish, Louisiana Town Hall Meeting

Proposed FEMA Flood Insurance Rate Maps
April 15, 2013 at 6:00pm
Hahnville High School Auditorium



Flood Insurance Rate Map (FIRM) History

1983: Initial FIRM dated 5/2/1983

1992: Effective FIRM dated 6/16/1992

- Flood insurance is rated using the effective FIRM

2004: Parish-wide FIRM update began for St. Charles Parish

2005: Hurricanes Katrina (8/29/2005) and Rita (9/24/2005) made land fall

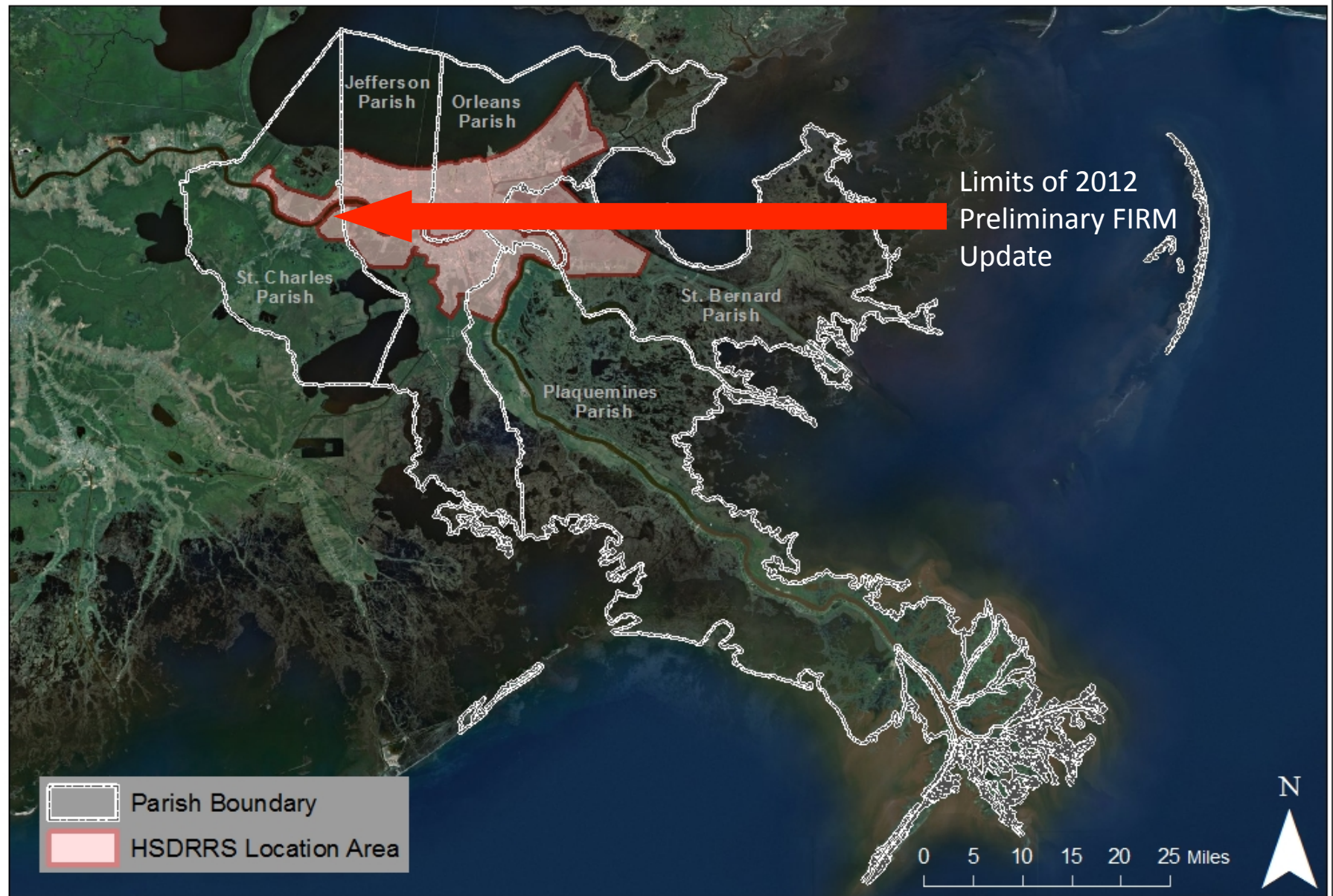
2006: Hurricane Katrina Surge Inundation and Advisory Base Flood Elevation (ABFE) Maps and Hurricane Rita Surge Inundation and Advisory Base Flood Elevation (ABFE) Maps released to St. Charles and other parishes affected by the storms showing the current flood risk; at the time these maps represented the best available source for rebuilding and recovery efforts

2008: Parish-wide preliminary FIRM dated 10/30/2008 issued to Parish

2012: Revised preliminary FIRM dated 11/9/2012 issued to Parish

- Only included updates to areas inside the Hurricane and Storm Damage Risk Reduction System (HSDRRS); all other areas remain the same as mapped in 2008

Hurricane Storm Damage Risk Reduction System Greater New Orleans Area



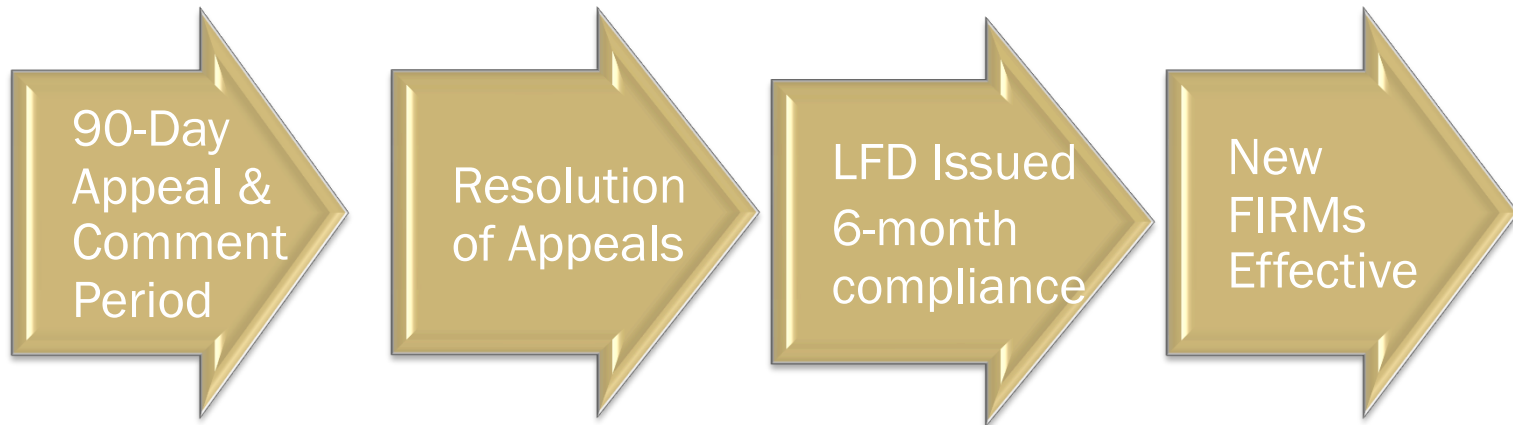
FIRM Next Step



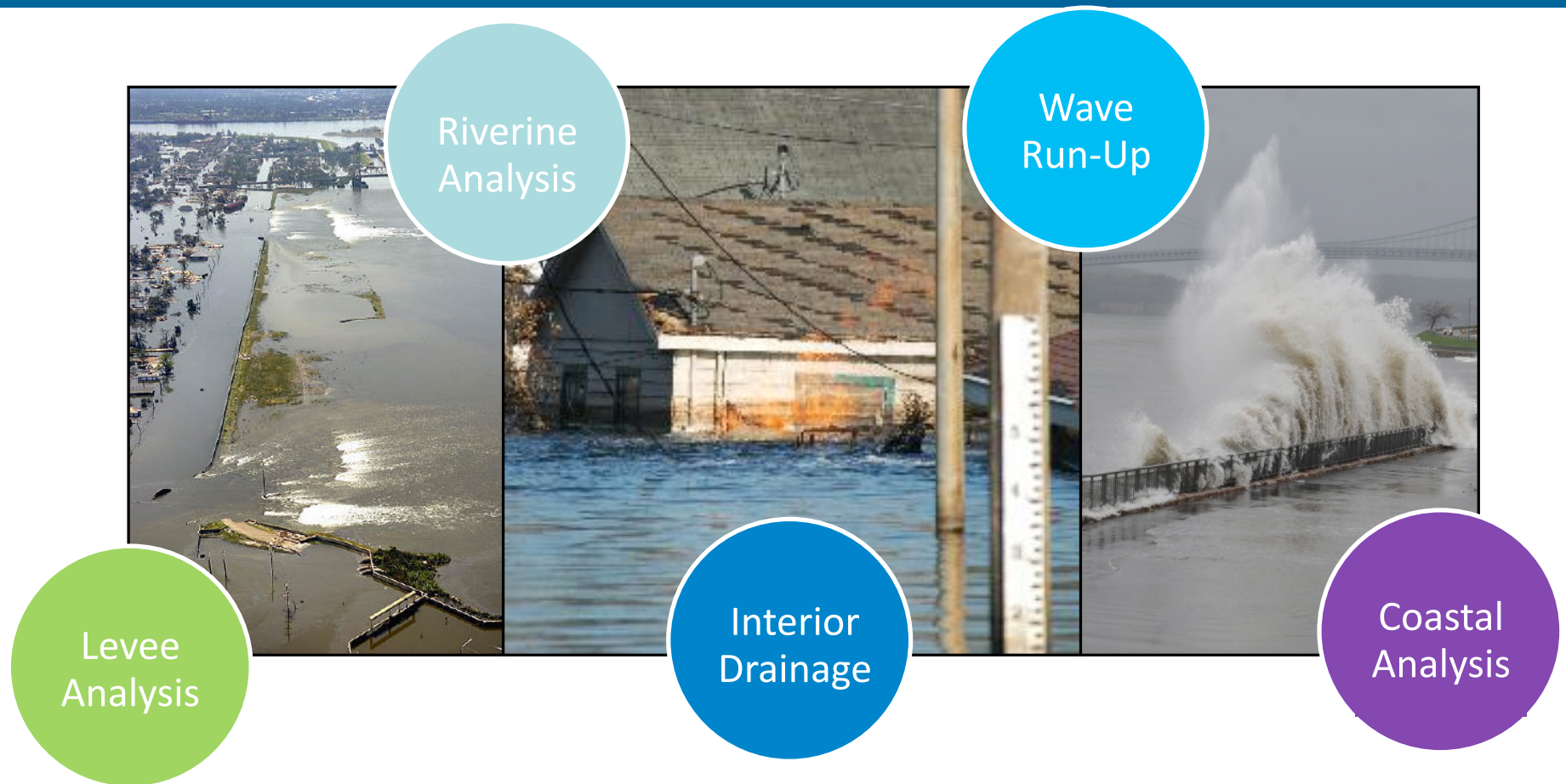
PAUSE

FEMA and St. Charles Parish will work together to determine the most appropriate path forward in the mapping process and set dates for the future next steps.

FIRM Remaining Steps



What do FIRM Depict?

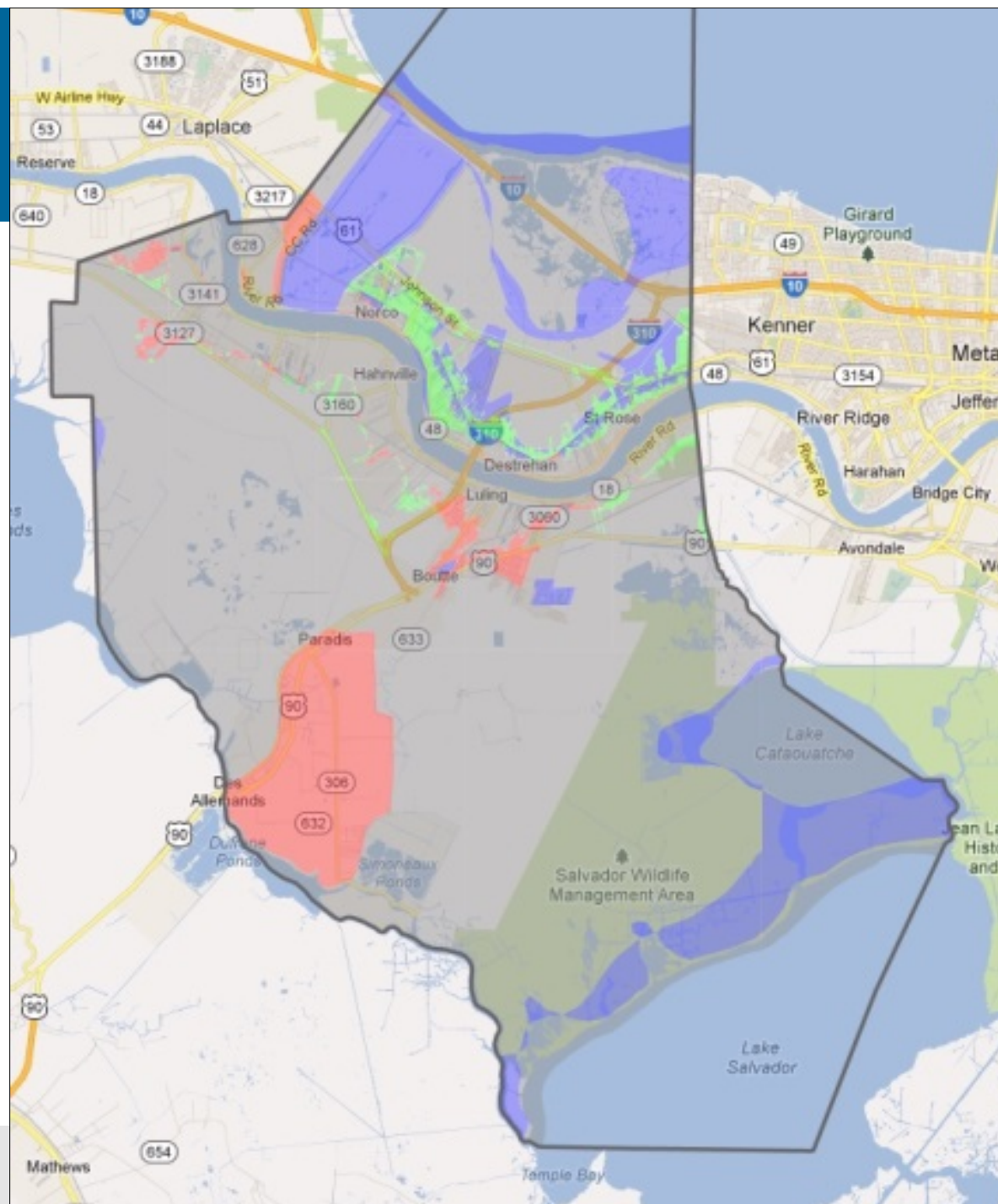


Mapping on FIRM depict the combined effect of all analysis performed and shows all results as a combined flood hazard area to identify the current flood risk.

Change Layer

Change Type:

| | |
|--|-------------------|
|  | None |
|  | No Previous Study |
|  | FW Decrease |
|  | FW Increase |
|  | SFHA Decrease |
|  | SFHA Increase |
|  | Zone Change |



FEMA

NFIP Community Information

St. Charles: CID# 220160

(Statistics as of February 2013)

OLD MAP

Zone AE & VE

Ordinance Level C+E

FIRM dated 6/16/1992

Initial FIRM dated 5/2/1983

Initial FHBM dated 11/1/1974

NEW MAP

Zone AE & VE (no floodway)

Ordinance Level C+E

Joined NFIP,

Emergency program = 2/8/1974

Regular program = 5/2/1983

CRS Class = 8 (10 % discount)

of policies = 11,926

Coverage = \$3,199,986,500

Annual Premium = \$8,718,544

of claims paid since 1978 = 4,093

\$ amount paid = \$100,051,560

of Repetitive Loss = 637

of Severe Repetitive Loss = 177



FEMA

Changes to the National Flood Insurance Program (NFIP)

Understanding the Biggert-Waters Flood Insurance Reform Act of 2012 (BW12)



BW-12: What's Changing

■ Subsidies to be phased out

- Non-primary residences
- Business properties
- Severe repetitive loss properties (1-4 residences), and properties where claims payments exceed fair market value

■ New policies to be issued at full-risk rates

- After the sale/purchase of a property
- After a lapse in insurance coverage
- After substantial damage/improvement
- For properties uninsured as of BW-12 enactment
- As new or revised Flood Insurance Rate Maps are issued (grandfathered rates planned to be phased out over 5 years)

Changes for Non-Primary Residences

Changes effective January 1, 2013, at policy renewal

- Subsidized premium rates for “pre-FIRM” properties in high-risk (A or V) zones will be phased out
- Rates will increase 25 percent per year until they reflect the full-risk rate.

*Pre-FIRM:
Built before the community's first
Flood Insurance Rate Map became effective
and not been substantially damaged
or improved*

*Non-primary residence:
A building that will be lived in for
less than 80 percent of the year*



Changes to Other Subsidized Rates

Changes planned to start October 1, 2013

- **Rates on pre-FIRM commercial buildings**

Increase by 25% a year until they reach full-risk rates.

- **Rates for repetitively flooded buildings**

(known as Severe Repetitive Loss properties) of one to four residences increase 25% a year until they reach full-risk rates

Includes buildings with cumulative flood insurance payments that meet or exceed fair market value



Direct Move to Full-Risk Rates

Changes planned to start October 1, 2013



- **After the sale/purchase of a property**

Subsidized rates can no longer be assigned to the new owner.

- **After a policy lapse**

Policyholders should know that allowing a policy to lapse could be costly.

- **When a new policy is issued**

Policies for buildings uninsured as of the date BW-12 was enacted

What about Grandfathering?

- The charging of insurance premiums based on a prior FIRM – known as “grandfathering” - will be phased out with Section 100207
- When a community receives new, effective Flood Insurance Rate Maps (FIRMs):
 - The Biggert-Waters Act Section 100207 calls for phase-out of grandfathering discounts for properties shown on Flood Insurance Rate Maps that are updated
 - New rates will be gradually phased in at 20% per year for five years
 - Section 100207 Implementation anticipated in late 2014
- **Note: The *Preferred Risk Policy Eligibility Extension* will be eliminated when Section 100207 implementation takes place**



What About Today's New Policies?

- **Until specifically addressed as BW-12 is implemented, new and renewing policies are still eligible for:**
 - Pre-FIRM subsidies (except pre-FIRM, non-primary residences)
 - Grandfathering
 - Extension of Preferred Risk Policy Eligibility
- **FEMA will clearly communicate when these subsidies and discounts are no longer available, as BW-12 implementation moves forward.**

Saving Money on Flood Insurance

- **FEMA has programs to help owners reduce their risk and save money on flood insurance**
 - Community-wide discounts through the Community Rating System (CRS)
 - FEMA grant programs support rebuilding and relocating
 - Use of higher deductibles to lower premium costs

Key Takeaway

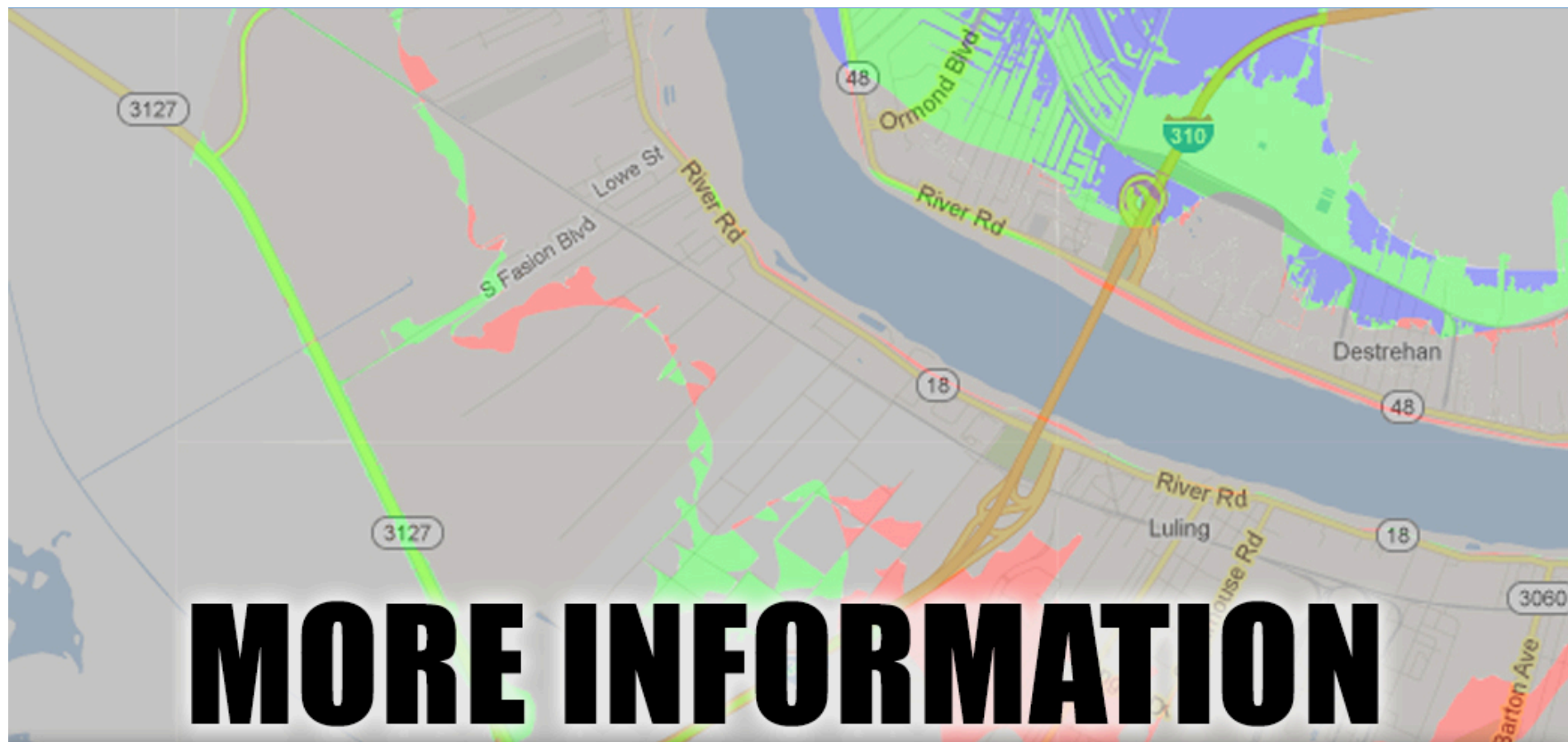
- **If rebuilding or building new consider:**
 - Flood risk changes over time, consider building to higher standard
 - Building decisions made now can affect long term flood insurance premiums

BW-12 Timeline

| DATE | BW-12 IMPLEMENTATION STEP |
|---------------------------|---|
| July 6, 2012 | BW-12 becomes law; reauthorizes the NFIP for five years and requires FEMA to eliminate discounts and subsidies |
| January 2013 | Subsidized rates phased out for non-primary residences |
| February 2013 and ongoing | FEMA anticipates issuing additional guidance and details on BW-12 implementation |
| October 2013 | Subsidized rates anticipated to phase out for business properties, SRL properties, and others. Move to full-risk rates after sale/purchase of property, substantial damage/improvement or policy lapse. |
| Late 2014 | FEMA anticipates implementing phase-in of full risk rates for properties affected by map changes |



FEMA



www.scpfloodmaps.com

